

Madison River Reply to AT&T Petition
2004 Annual Access Filing
Gulf Telephone Company
Analysis of Cash Working Capital

Exhibit I

	Source	Total Company Approach Used for TY Ending June 30, 2005	Source	Separated Interstate Approach	AT&T Calculation
1. CASH OPERATING EXPENSES	A	B	C	D	E
a. Total Operating Expenses & Taxes (reduced by rent revenue)	Part 36, Line 38, Page 1	\$30,890,038	TRP COS(P) Col E. Line300 (Includes State Tax)	\$11,044,930	\$11,044,930
b. Less Depreciation & Amortization	Part 36, Line 33, Page 1	\$10,394,379	TRP COS(P) Col E. Line190	\$3,776,846	\$3,776,846
c. Add back Rent Revenue	Part 36, Lns 17,19,23, Page 12	\$371,315	Part 69, Lns 17,19,23, Page 12	\$128,283	
d. Add Operating Federal Income Taxes - A/C 7210 & 7220		\$7,956,206	TRP COS(P) Col H Line290	\$1,036,248	
e. Add Operating State & Local Taxes - A/C 7230		\$848,016	Included in Line a		
f. Total Cash Operating Expenses	(a - b + c + d+ e)	\$29,671,197	(a - b + c + d+ e)	\$8,176,049	\$7,268,084
2. % LAG	(15/365)	4.1096%	(15/365)	4.1096%	4.1096%
3. TOTAL CASH WORKING CAPITAL	1.f. * 2.	\$1,219,367	1.f. * 2.	\$336,003	\$298,689
4. Ratio of Interstate Non-Cash Expenses to Total Company	Part 36, Line 50, Page 12	34.70%		n/a	n/a
5. Total Interstate per Part 36	Line 3 * Line 4	\$423,135	Line 3	\$336,003	\$298,689
6. AT&T Calculation	Per AT&T Petition Exhibit F-1	\$298,688	Per AT&T Petition Exhibit F-1	\$298,688	\$298,688
7. Difference		\$124,447		\$37,315	